

Web base buying and Purchasing Card – Payment

Web base buying has increased in recent years in State Government. Agency may use this type of procurement provided the state accounting and purchasing laws are adhered to. Purchasing card policies and procedures must be followed as well.

On the question of paying for commodities before receiving the merchandise, the state rules are the same as other purchases. Receipt of the goods or services must occur at the time of or prior to payment for goods or services. VISA does not allow the vendor/merchant to charge until the product is shipped. Arkansas follows the VISA guidelines. Therefore back orders are not charged. This allows P-Card online purchasing to be utilized.

The merchant will receive monies from the bank in 48 hours of the qualified purchase. The bank will charge the agency using the purchasing card on the 22nd of the month.

The policy in the Arkansas Purchasing Card Policy and Procedures follows:

- **Internet Orders** – Select cardholders may use electronic mail to submit an order to a supplier. However, before engaging in an internet purchase, be familiar with the procedures the vendors use to handle P-Card transactions. For instance, some sites dictate you be registered in their system before making a purchase. Once the Cardholder has completed the transaction, he/she shall ensure the supplier includes a cash register tape, paid invoice, other documentation with the purchase information on it, and/or a delivery slip with the order. If the supplier intends to mail the P-Card transaction documentation as a separate item, the Cardholder shall ensure this documentation is sent to the agency's official address. The Cardholder shall retain all transaction documentation. **Remember, internet orders may be subject to Use Tax.**

Documentation for both telephone and internet buying must be started at the time of the ordering. This documentation must be maintained in the agency files for audit purpose.

The only two approved method for internet buying and paying for the products or services are Purchasing Card and Purchase Order. Do not use Arkansas Travel Cards or Individual Credit Cards. Both of these methods would require TR-1 reimbursement to employees. The travel reimbursement program is for travel and travel related expenses only. Previously since internet buying, in most cases, required a charge for the purchase at the time of purchase method the TR-1 was accepted. Arkansas has its own purchasing card program. Any web

based or internet buying Arkansas agencies and institution of higher education must use the Arkansas Purchasing Card for this type of purchase.

The Arkansas Travel Regulation states the following:

Rule 2 Standard Reimbursements for State Employees and Officials
Effective date 1/01/2003

Officials and employees may be paid travel expenses when required to travel away from their "official station" on state business. "Official station" is the geographic location or "address" where the employee normally reports for duty and/or spends the majority of his/her productive time and must be designated as such in writing by the employer. An employee's "residence" shall be the city or town in which the individual has an abode or dwelling place.

Please note that travel reimbursement is NOT a per diem, and is to be claimed for ACTUAL EXPENSES FOR MEALS AND LODGING NOT TO EXCEED THE MAXIMUM ALLOWABLE RATES AS LISTED IN THE FEDERAL TRAVEL DIRECTORY, PLUS APPLICABLE SALES TAX. (Sales tax rate must be stated on Travel Reimbursement (TR-1) form in instances where the sales tax causes the maximum per diem rate(s) to be exceeded.)

Miscellaneous Expenses

Miscellaneous expenses, whether or not directly connected with travel (such as postage, small emergency supplies, etc.) may be allowed with adequate justification when necessary to the performance of official duties. Receipts are required.

Rule 11 Procedures for TR-1 (Travel Reimbursement)
Effective date 1/01/03

The Travel Reimbursement Form (TR-1): the standard form to be utilized by all state officials, including board members and employees for the purpose of claiming reimbursement for travel expenses incurred by the traveler for meals, lodging and mileage on personal vehicles used in connection with the official business of the state. Electronic equivalents of this form may be used so long as the elements of information required on the official form are included. This form is also to be used for itemizing any miscellaneous expenses incurred by the traveler. A recapitulation of all expenses incurred by the claimant will appear on this form.